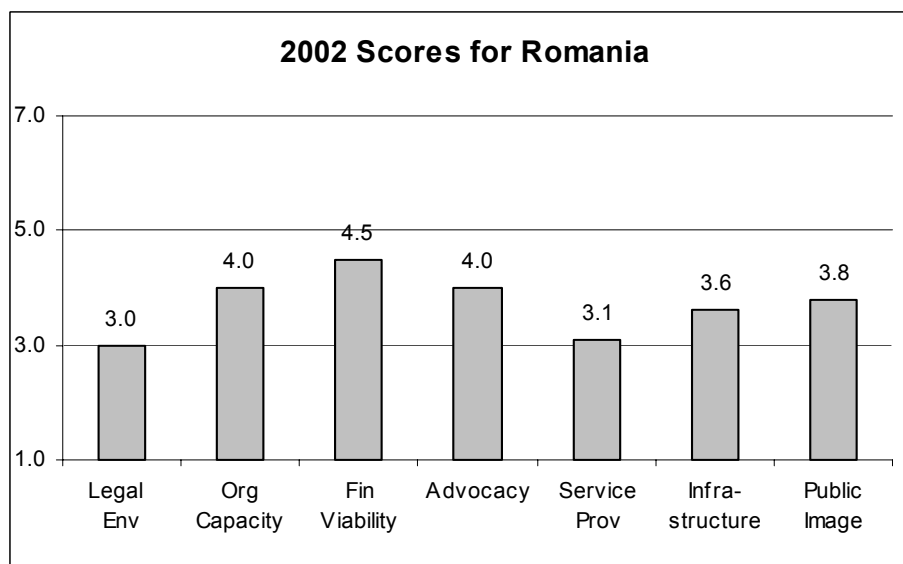


# ROMANIA



**Capital:**  
Bucharest

**Polity:**  
Presidential- parliamentary democracy

**Population:**  
22,317,730

**GDP per capita (PPP):** \$6,800

## NGO SUSTAINABILITY: 3.7

### NGO SUSTAINABILITY

2002	3.7
2001	4.0
2000	4.1
1999	4.1
1998	3.8

The Romanian NGO sector now consists of close to 30,000 NGOs<sup>1</sup>. However, experts in the field estimate that only about 2,500 of these are active.

New NGOs are established on a continuous basis, while others cease their activity.

The Romanian nonprofit sector is predominantly urban, with 90 percent of NGOs located in urban areas. Many NGOs are expected to expand their activities to rural areas in response to grant programs specifically targeting

underserved regions. Geographic distribution of NGOs also remains uneven, with counties in Southeastern Romania, for example, showing a low level of associative life.

About 19 percent of NGOs work in the field of social services. Adverse economic and social conditions call for a great need for social intervention. The situation of abandoned children is still a priority on the public agenda, while public attention to other issues like drug abuse and domestic violence have increased. Important steps have been made in implementing child protection reform and many NGOs working in this field have strengthened their service delivery capacity and received increased recognition from local governments.

Financial resources for NGOs continue to be scarce, although significant resources

<sup>1</sup> It is difficult to obtain accurate information on the number of NGOs because NGOs register in local courts and centralized information from the Registry of Associations and is not easily accessible.

became available at the end of 2001 when new programs were launched by international donors, especially the European Union. Romanian NGOs are still highly dependent on foreign support and only a few are able to attract local resources. The number of NGO-local government partnerships is increasing mostly as a result of funding opportunities that require this kind of partnerships. However, some of these partnerships are formal rather than effective relationships.

Romanian NGOs became more active in shaping public opinion by initiating or supporting media campaigns or public debates on various issues such as environment protection, domestic violence, electoral reform, mental health, and

cancer. These activities led to a slight improvement of the public image of NGOs and a higher level of public trust, in comparison to previous years. However, the credibility of NGOs is still low in absolute figures.

Overall, the Romanian NGO sector is slowly progressing. Over the longer term, NGOs need to capitalize on existing local opportunities by attracting more resources from the business community and individual donors, encouraging volunteerism, and creating partnerships with local governments.

### LEGAL ENVIRONMENT: 3.0

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The registration and activity of Romanian associations and foundations is still governed by Government Ordinance (G.O.) 26/2000. The ordinance establishes the conditions for NGO registration, manage-

LEGAL ENVIRONMENT	
2002	3.0
2001	3.0
2000	3.0
1999	3.5
1998	3.5

ment, and relationship with the public administration, as well as the terms for receiving "public utility" status. Since the ordinance was issued, NGOs have recommended

amendments which were put together by the Department for Institutional and Social Analysis (DAIS) and submitted to parliament to be discussed prior to issuing the law.

The registration process has been simplified by G.O. 26/2000, but access to specialized legal advice is scarce, primarily available in the capital city and a few other major cities. The Registry of Associations and Foundations is not fully operational. Access to updated information on Romanian NGOs included in the Registry is diffi-

cult: the fees for receiving information are not publicized and the time for getting a response to a request is 30 days.

By June 2002, 11 NGOs were granted "public utility" status, but the procedures for awarding this status still need to be clarified. Some ministries, such as the Ministry of Youth and Sports and the Ministry of Labor and Social Solidarity, developed their own specific procedures for awarding "public utility" status, but there are no uniform criteria across all ministries.

The legal treatment of sponsorship also remains a concern for NGOs, although the G.O. 127/1999 was approved by the Parliament in October 2001 (Law 576). The limit established by the law for sponsorship deductions is small: up to 5 percent of taxable income. In addition, the law no longer differentiates incentives based on categories of activities, so many sponsors will probably support sports and cultural events with broad media coverage instead of long-term community projects.

Overall, no significant changes were intro-

duced to the legal framework over the past year. Improved legislation is still needed on sponsorship and taxation. Clear proce-

dures are also needed for awarding "public utility" status and to facilitate access to the Registry of Associations and Foundations.

## **ORGANIZATIONAL CAPACITY: 4.0**

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The capacity of Romanian NGOs to expand services and increase the number of beneficiaries remains limited. Some organizations, mainly in the social field, cooperate with local government bodies such as the departments for child

### **ORGANIZATIONAL CAPACITY**

2002	4.0
2001	4.5
2000	5.0
1999	4.0
1998	3.5

protection or the social assistance departments to identify beneficiaries. Involving beneficiaries in the activities of the organization

is not a common practice and there are often gaps in communication between service providers and recipients. Associations created by parents of disabled children are the exception. Such organizations have very specific goals and all members put together their resources to sustain the organization.

Strategic planning is still a weakness for most NGOs. Although more NGOs have a well-defined mission, they do not make a clear distinction between mission, goal and objectives. About 70 to 80 percent of organizations do not engage in strategic planning or develop annual budgets. Many organizations rely on a single person, usually a founding member, to make decisions and implement activities. Other

organizations cannot afford to hire the necessary personnel. Many times there is no distinction between staff and board. The provisions of G.O. 26/2000 regarding board responsibilities are not always implemented.

Accountability of NGOs toward their constituencies and the general public remains a concern. Constituency-building capacity is still weak. An important step forward is that more NGOs issue annual reports and financial statements. Some organizations have become aware of the importance and benefits of transparency, but most of them produce annual reports only because they are required by donors or public institutions.

Volunteers have become an important resource for NGOs, especially within the context of the International Year of Volunteering which raised public interest regarding volunteer contributions. NGOs also consider the alternative of building a core full-time, paid staff, but difficulties in raising funds for salaries force them to hire personnel on a project-by-project basis.

The technical endowment of NGOs is critically unsatisfactory. This is mainly due to the lack of funding, but also to underdeveloped infrastructure (e.g. telephone lines) especially in rural areas.

## **FINANCIAL VIABILITY: 4.5**

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In the middle of 2002, Romanian NGOs were still feeling the effects of the absence of major grant programs in 2000-2001. Many organizations diversified their sources of funding, by seeking public

funds and/or individual and corporate contributions. Other funds come from membership fees and economic activities. However, local sources of funding still represents a small percentage of NGO

revenues.

Local support for NGO activities is increasing. This

### FINANCIAL VIABILITY

2002	4.5
2001	4.5
2000	5.5
1999	5.0
1998	4.5

support comes either from the local government, or from the business sector. The public contribution is, in many cases, in-kind (i.e. office space or access to equipment) but

financial support is also increasing. It is expected that NGOs will continue to develop their cooperation with local governments as more funds are expected to become available for partnership activities between NGOs and public administration.

Few companies provide support for community projects implemented by non-governmental organizations. While there is still no culture of social corporate responsibility, some Romanian companies are beginning to replicate the philanthropic behavior of international corporations. Social services, and sports and cultural

events are still the most attractive areas for sponsorship because of their great public impact and broad media coverage.

NGOs have to improve fundraising skills, build sound financial systems, and promote transparency regarding activities and expenditures. Existing positive examples are worth being adapted and multiplied. For example, SOS Children Villages developed a fund-raising system targeting Romanian companies that provides comprehensive information on the current activities of the organization and suggests various funding options to potential sponsors.

For the long term, Romanian NGOs have to attract more local resources for activities and improve relationships with stakeholders. Grant programs will be an important resource for a limited period of time and for specific activities, but recognition and support from the local community are key aspects of NGOs sustainability.

## ADVOCACY: 4.0

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During 2001-2002 Romanian NGOs engaged more in advocacy and lobbying campaigns on issues either reflecting citizen interest or promoting international initiatives.

### ADVOCACY

2002	4.0
2001	4.5
2000	3.5
1999	4.0
1998	3.5

The Association for Promotion of Women in Romania (APFR), based in Timisoara, drafted a law on domestic violence and conducted campaigns against domestic violence, with support from both local and central authorities. NGOs active in the Sighisoara area, a well-preserved medieval town, conducted a sustained advocacy campaign together with the local community against the development of a

new theme park known as Dracula Park. The campaign contributed to the UNESCO decision to stop the project. More than 60 business associations joined forces during an Open Doors Campaign Advocacy Days, in support of legislative agendas adopted by coalitions in the tourism, IT, and manufacturing sectors. Child protection federations are actively involved in developing child welfare regulations. Romanian NGOs have also joined international campaigns on issues such as breast cancer and HIV/AIDS.

Trade unions, business organizations, and NGOs joined the Civic Initiative for the Responsibility of the Political Act (ICRAP). The coalition attempted to collect the

250,000 signatures needed to submit a new Electoral Code to Parliament. Although not successful in promoting the legislative proposal, ICRAP succeeded in raising public awareness regarding the need for electoral and constitutional reforms.

While NGOs successfully advocated in particular sub-sectors, some major issues that are priorities for the whole non-profit sector remain unresolved: amending the G.O. 26/2000 regarding associations and foundations; the sponsorship law; and finalizing the “one percent law”—a tax incentive for sponsors modeled on a Hungarian law. Although there are ongoing consultations between NGOs and decision-makers on these laws, these (sometimes pro-forma) consultations have not yielded concrete results yet.

The Department for Institutional and Social Analysis (DAIS), operational since February 2001 within the Prime Minister's Office, supports NGO initiatives and facilitates communication between NGOs and policy makers. DAIS keeps abreast of NGO issues and provides related information in a transparent manner. The Department for Relations with Civil Society within the Chamber of Deputies' Office for Communication, Press, and Public Relations distributes electronically the weekly legislative agenda.

In sum, while some organizations increasingly gain recognition for their lobbying and advocacy capacity, overall the Romanian non-profit sector needs to improve its lobbying and advocacy skills and to develop the framework regulating lobbying activities.

### SERVICE PROVISION: 3.1

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During 2001-2002, the Romanian NGO sector made some progress in terms of service provision.

SERVICE PROVISION	
2002	3.1
2001	3.5
2000	4.0
1999	4.0

About 1/5 of the active NGOs provide social services. Their services increasingly reflect the needs and priorities of local communities. Child protection NGOs, in particular, have mobilized various public and private resources for their activities.

The range of services provided is not always based on market demand, as NGOs tend to adjust their programs to grant opportunities rather than existing needs. The

lack of resources limits the ability of organizations to broaden their constituencies, especially when the services provided are expected to be for free. Charging for services and cost recovery are not common, but fees are paid for services like training, consultancy, provision of information, and publications.

Although some NGO activists feel that authorities use consultations with the non-profit sector only to improve their public image, the relationship with authorities is improving. However, NGOs have to further improve transparency and be more proactive in sharing information and building partnerships with the authorities and with the private sector.

## INFRASTRUCTURE: 3.6

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In 2001, new regional resource centers were established in Suceava, Vilcea,

### INFRASTRUCTURE

2002	3.6
2001	4.0
2000	4.0
1999	4.0

Constanta, Cluj, and Calarasi with technical support from the Bucharest-based NGO, Centras. Existing centers in

Satu Mare, Timis, and Tulcea, initiated with donor support several years ago, managed to continue their activities. These centers aim to facilitate access to information, training, and technical assistance for local NGOs. Although NGOs widely support the concept of resource centers, they are concerned about the centers' outreach capacity and sustainability.

There are about six local organizations that continue to provide small grants to NGOs. Most of these funds are raised abroad, but are distributed locally. Information on funding and training opportunities is disseminated through a number of publications with national coverage. However, access to information remains limited for many NGOs, largely due to the inappropriate technical endowment.

Networks and coalitions are seen mainly as an expression of support for an

initiative and not as effective working or advocacy groups with specific tasks and responsibilities. Coalitions often have a formal status and only one or a few members assume the workload and responsibilities for the entire group.

There is a core group of NGO professional trainers able to transfer knowledge and skills on various subjects for beginning and advanced levels. Training materials are widely available in the Romanian language. Training providers are usually located in Bucharest or in other cities, but on-site training sessions are organized with logistic support from local organizations. Sustainability of the service providers is still a challenge due to scarce financial resources. The small fees charged for their services can not cover the costs of a training program.

Partnerships, either formal or informal, between NGOs and other sectors are generally isolated and based on personal relationships rather than the community's general interest. Intersectoral partnerships could bring benefits for the partners and for the community. NGOs have to build such relationships, which are key elements for long-term sustainability.

## PUBLIC IMAGE: 3.8

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### PUBLIC IMAGE

2002	3.8
2001	4.0
2000	3.5
1999	4.0
1998	4.0

The effects of the 1998 media "campaign" against NGOs seem to be overcome; media increasingly reports positively on NGOs. Local media is more receptive to NGO

activity, reporting on local projects and their benefits for the community. National newspapers, radio stations and TV stations pay less attention to the nonprofit sector. However, certain events like the Easter telethons conducted by Antena 1 and Foundation Smile Romania have become traditional. The funds raised through such events, although not very

large, are used to support projects initiated by local organizations.

The gap between mass media and NGOs is due to the insufficient capacity of NGOs to market their activities and results, but also to the very selective way media processes the large quantity of information it receives. Romanian organizations are taking steps toward transparency and use annual reports as a PR instrument, but they need to improve their knowledge in order to use information effectively. Even when positive examples from the sector are reflected in the media, they remain isolated and do not generate much needed analysis regarding the role played by NGOs in the community.

According to recent public opinion sur-

veys, citizens have a positive perception of NGOs and an increased level of trust in NGOs. Furthermore, the relationship between NGOs and public authorities has improved, especially at the local level. NGOs' expertise and contribution is acknowledged and the number of projects developed in partnership with the government has increased.

There is no progress in adopting a generally accepted code of ethics, despite ongoing discussions on this topic over the past several years. Elements of self-regulation are included in the G.O. 26/2000 but not all NGOs pay attention to things like administrative boards and good governance.